



May 26, 2021

TO: Juliet Felent
Director, Procurement Department

FROM: John Seger
Assistant Inspector General for Audits, Evaluations, and Inspections

SUBJECT: Evaluation of PBGC's Purchase Card Program (Project No. EV-21-157)

The Office of the Inspector General is initiating an evaluation of PBGC's purchase card program. Please see the enclosure for more specific details on the engagement and for topics we plan to discuss at the entrance conference. We will begin work on this engagement immediately, so we would appreciate your notifying the appropriate staff.

The next step will be to conduct an entrance conference which we will coordinate with the Corporate Controls and Reviews Department. At the entrance conference, we request PBGC provide any feedback on the planned engagement.

Thank you in advance for your time and consideration.

cc: Kristin Chapman, Chief of Staff
Frank Pace, Director, CCRD
Alice Maroni, Chief Management Officer
Russell Dempsey, General Counsel
Latrece Wade, Risk Management Officer
Jeannie Dyson, Contracting Officer, Procurement Department

Overview of Purchase Card Evaluation

Subject: Evaluation of PBGC's Purchase Card Program (Project No. EV-21-157)

Source for the Work: Statutory Requirement

Issue(s) Under Review/Objective(s)/Key Question(s):

In our FY 2019 Purchase Card Risk Assessment, we elevated the overall risk of illegal, improper, or erroneous purchases from low to medium because of limited and delayed program oversight.

Our objective is to analyze the risks of illegal, improper, or erroneous purchases and payments associated with PBGC's purchase card program in FY 2020 to determine whether the corporation's internal controls are sufficient to detect and prevent fraud, waste, and abuse.

Entrance Conference Discussion Topics:

1. Changes in processes since FY 2019 (last Purchase Card Risk Assessment)
2. Controls to identify/prevent split transactions
3. Implementation of previous recommendations

Documentation Requested for the Entrance Conference:

None

Points of Contact Requested:

Purchase Card Program Coordinator and Alternate

Estimated Report Issuance: December 2021

OIG Contact:

Charles Yao, Audit Manager, yao.charles@pbgc.gov

Tiara Grotte, Auditor-in-charge, grotte.tiara@pbgc.gov